



Committee Members Present
Via Teleconference:

Michael Hennessey, Chairman
Steve Jones, Vice Chairman
Brian Goodell
Patrick Harper
Gene Hernandez
Joe Muller

Committee Members Absent

None

Staff Present

Jennifer L. Bergener, Deputy Chief Executive Officer
Gina Ramirez, Deputy Clerk of the Board
Sahara Meisenheimer, Deputy Clerk of the Board

Via Teleconference:

Darrell E. Johnson, Chief Executive Officer
Andrew Oftelie, Chief Financial Officer
James Donich, General Counsel

Call to Order

The February 10, 2021, regular meeting of the Finance and Administration (F&A) Committee was called to order by Committee Chairman Hennessey at 10:31 a.m.

Roll Call

The Deputy Clerk of the Board conducted an attendance Roll Call and announced there was a quorum of the F&A Committee.

Pledge of Allegiance

Director Goodell led the Pledge of Allegiance.

1. Public Comments

There were no Public Comments.

Special Calendar

2. Committee Meeting 2021 Schedule

Darrell E. Johnson, Chief Executive Officer (CEO), reported that this is the one Committee that meets regularly more than once per month. He stated the Committee needs to meet more than once a month to align with the Board of Directors meetings and budget development.

A motion was made by Committee Chairman Hennessey, seconded by Director Harper, and following a roll call vote, declared passed 6-0, to approve the 2021 Finance and Administration Committee meeting calendar.

3. Roles and Responsibilities of the Finance and Administration Committee

Darrell E. Johnson, CEO, discussed at the beginning of each new calendar year staff brings forward the Committee roles and responsibilities to help develop agenda items and clarify which Committee has jurisdiction over policy areas.

Mr. Johnson, CEO, stated this is a red-line version with one exception. The F&A Committee has always been responsible for the policy issues concerning the 91 Express Lanes, and a few years ago, staff added in the Interstate 405 Express Lanes. He noted staff added the policy issues relative to the State Routes 241 and 91 Express Lanes Connector Project.

A motion was made by Director Muller, seconded by Committee Vice Chairman Jones, and following a roll call vote, declared passed 6-0, to approve the 2021 Finance and Committee Roles and Responsibilities.

Consent Calendar (Items 4 through 8)

4. Approval of Minutes

A motion was made by Director Hernandez, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to approve of the minutes of the Finance and Administration Committee meeting of January 27, 2021.

5. Audit Responsibilities of the Finance and Administration Committee

A motion was made by Director Hernandez, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to approve the Audit Responsibilities of the Finance and Administration Committee.

6. Approval of Local Transportation Fund Fiscal Year 2021-22 Apportionment Estimates

A motion was made by Director Hernandez, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to approve the Local Transportation Fund fiscal year 2021-22 apportionment estimates and authorize the Chief Executive Officer to advise all prospective claimants of the amounts of all area apportionments from the Orange County Local Transportation Fund for the following fiscal year.



7. 91 Express Lanes Property Insurance Renewal

A motion was made by Director Hernandez, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A46898, in the amount of \$460,332 to Marsh USA, Inc., to purchase the 91 Express Lanes property, flood, and earthquake insurance on behalf of the Orange County Transportation Authority for the policy period of March 1, 2021 to March 1, 2022.

8. 91 Express Lanes Update for the Period Ending - December 31, 2020

A motion was made by Director Hernandez, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

Regular Calendar

9. Amendment to Agreement for Renewable Natural Gas

Andrew Oftelie, Chief Financial Officer, provided opening comments and introduced Ron Rojas, Section Manager of Materials Management Administration, who provided a PowerPoint presentation on the following:

- Background;
- Benefits of Agreement;
- Revenue-Generating Program; and
- Recommendation.

A discussion ensued regarding:

- The current rate the Orange County Transportation Authority (OCTA) pays for natural gas.
- Is OCTA receiving a fair price on the gas?
- Is Element Markets Renewable Energy, LLC (Element Markets) sourcing from a particular site instead of buying gas on the open market.
- Does Element Markets earn money off the contract?

Mr. Rojas responded Element Markets does not make a profit from the sale of the gas. OCTA receives a 10 percent share of the Renewable Identification Numbers (RINs) and a 25 percent share of the Low Carbon Fuel Standard credit. The remaining funds go to the gas producers. Element Markets receive sufficient funds to cover their costs.



9. (Continued)

An additional lengthy discussion ensued regarding:

- Once OCTA moves to hydrogen or electric busses, fuel costs will be higher.
- Is there is a financial benefit for OCTA?
- OCTA is doing its part in reducing Green House Gas emissions.
- OCTA's zero-emission bus plan would have a specific percentage of purchases required on the bus fleet.
- By 2040, OCTA would no longer have any transit vehicles that use gasoline, diesel, or compressed natural gas.
- By 2023, OCTA would have specific percentages of purchases required on the bus fleet.
- OCTA has not taken receipt of the battery-electric fleet, which is ten hydrogen fuel cell buses.

A motion was made by Director Goodell, seconded by Director Hernandez, and following a roll call vote, declared passed 6-0, to authorize the Chief Executive Officer to negotiate and execute Amendment No. 8 to Agreement No. C-5-3636 between Orange County Transportation Authority and Element Markets Renewable Energy, LLC, to exercise the second two-year option-term, in the amount of \$9,500,000, to provide renewable natural gas and consulting services for management of the Low Carbon Fuel Standard Program. This will increase the maximum obligation of the agreement to a total contract value of \$27,560,000.

Committee Chairman Hennessey inquired if renewable natural gas will get more expensive for OCTA in the future.

Andrew Oftelie, Chief Financial Officer (CFO), responded if OCTA were to operate hydrogen buses or electric buses, OCTA would still generate credits under this program. The price of the fuel might go up, and the margin OCTA would get would be lower. He also stated OCTA receives an alternative fuel tax credit from the federal government on top of this program.



Discussion Items

10. Chief Executive Officer's Report

Mr. Johnson, CEO, reported on the following:

- OCTA will be hosting an online community meeting for the Interstate 5 (I-5) South County Improvement Project tonight from 5:30 p.m. to 7:00 p.m. This meeting will be the first virtual community meeting for segment three of the I-5 south project that stretches from Alicia Parkway north to El Toro Road.
- Since OCTA moved to all virtual meetings, OCTA is receiving more attendance, and staff will post a recording of the session so other members of the public that did not have a chance to attend can see it later.

11. Committee Members' Reports

Director Goodell announced that he shared his screen at the city council meeting last night and showed the I-5 South County Improvement Project website. He noted the amount of discoverable information the public can access was phenomenal. He also announced the open position on the OCTA Board.

He also thanked the staff for a great job and the ease of navigating the website.

Mr. Johnson, CEO, responded he would make sure his comments are passed onto the team who works on the website.

12. Closed Session

There were no Closed Session items scheduled.



13. Adjournment

The meeting was adjourned at 10:50 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, February 24, 2021**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.

ATTEST

Michael Hennessey
Committee Chairman

Gina Ramirez
Deputy Clerk of the Board